

Senate, April 6, 1998. The Committee on Finance, Revenue and Bonding reported through SEN. LOONEY, 11th DIST., Chairman of the Committee on the part of the Senate, that the bill ought to pass.

AN ACT CONCERNING FORECLOSURE BY SALE OR AUCTION.

Be it enacted by the Senate and House of Representatives in General Assembly convened:

1 Section 1. Section 12-195 of the general
2 statutes is repealed and the following is
3 substituted in lieu thereof:

4 When any municipality acquires real estate by
5 foreclosure, INCLUDING FORECLOSURE BY SALE OR
6 AUCTION, or by deed in lieu of foreclosure, of a
7 tax or an assessment lien or liens thereon, the
8 right to accept which deed is hereby granted to
9 municipalities, the tax collector, upon proper
10 notice of the recording of the certificate of
11 foreclosure of the real estate so acquired or the
12 recording of such deed in lieu of foreclosure,
13 shall enter or cause to be entered in his books
14 against the unpaid tax or assessment account of
15 such real estate, the one of the following
16 notations which the case may require: "Acquired by
17 Foreclosure", "Acquired by deed in lieu of
18 Foreclosure", which notation shall be completed by
19 a statement of the day, month and year of the
20 acquisition of such real estate. Immediately after
21 such entry in his books against such unpaid
22 account, the tax collector shall file for record,
23 in the town clerk's office in the town in which

24 such property is located, a release of such lien
25 or liens on such real estate then on record in
26 such office. The acquisition of such real estate
27 by the municipality shall be deemed a cancellation
28 by such municipality of all of its claims against
29 the tax collector for unpaid taxes and
30 assessments, interest or lien fees assessed
31 against such real estate. The real estate so
32 acquired shall be held free of any taxes or
33 assessments levied by the municipality which has
34 acquired it until such real estate is sold. Upon
35 the sale of such acquired real estate by the
36 municipality, the proceeds thereof remaining after
37 payment of the expenses of such sale shall be
38 deposited in the general treasury of the
39 municipality.

40 Sec. 2. This act shall take effect July 1,
41 1998.

42 FIN COMMITTEE VOTE: YEA 43 NAY 0 JF

* * * * *

"THE FOLLOWING FISCAL IMPACT STATEMENT AND BILL ANALYSIS ARE PREPARED FOR THE BENEFIT OF MEMBERS OF THE GENERAL ASSEMBLY, SOLELY FOR PURPOSES OF INFORMATION, SUMMARIZATION AND EXPLANATION AND DO NOT REPRESENT THE INTENT OF THE GENERAL ASSEMBLY OR EITHER HOUSE THEREOF FOR ANY PURPOSE."

* * * * *

FISCAL IMPACT STATEMENT - BILL NUMBER SB 538

STATE IMPACT	None
MUNICIPAL IMPACT	See Explanation Below
STATE AGENCY(S)	None

MUNICIPAL IMPACT: The bill may result in an administrative cost saving because it provides towns with an alternative method for writing off unpaid property taxes.

It may also result in a Grand List increase if it permits towns to sell foreclosed property more quickly so that the property becomes part of the town's Grand List sooner.

* * * * *

OFA BILL ANALYSIS

SB 538

AN ACT CONCERNING FORECLOSURE BY SALE OR AUCTION

SUMMARY: The bill allows municipalities to cancel unpaid property taxes on parcels of land acquired by municipalities through foreclosure by sales or auction. Currently, the law only allows municipalities to write off property taxes when a parcel is acquired through "strict foreclosure" proceedings.

EFFECTIVE DATE: July 1, 1998

COMMITTEE ACTION

Finance, Revenue and Bonding Committee

Joint Favorable Report
Yea 43 Nay 0